## TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

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ethanol producers are staying right up with the price of no-lead fuel, I don't know, I can't answer that. The other unknown there is whether...if it is cheaper, if simply the retailers are simply pricing their ethanol the same and have a larger margin on it, I don't know. I can't answer that. I will find out, though.

SENATOR CHAMBERS: But it's possible then that the price that shows at the pump for ethanol is a reflection of what the retailer is charging rather than what would actually have to be charged in order to make a reasonable profit?

SENATOR BAKER: That's true.

SENATOR CHAMBERS: Okay, that's all that I will ask you. And I figured that. Here's something we...oh, here is what I wanted to ask Senator Baker also, Senator Baker, have you ever farmed?

SENATOR BAKER: Yes, I have and I do still.

SENATOR CHAMBERS: Does corn grow in California?

SENATOR BAKER: Yes.

SENATOR CHAMBERS: Senator Baker, have we been told that the reason a lot of ethanol should be produced is because of pressure being put on California to comply with clean air standards?

SENATOR BAKER: I think that's part of the reasoning, yes.

SENATOR CHAMBERS: If ethanol is so lucrative, and Senator Beutler is not going to listen, if ethanol is so lucrative, why don't they just convert the corn, in California, into ethanol by opening ethanol plants there, producing the ethanol, complying with clean air standards, having a use for their corn and making plenty of money, creating plenty of jobs and they all get rich and live happily ever after and they're out from under this electricity problem, to some extent also? Why doesn't, in other words, California open ethanol plants and produce their own ethanol?